GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4403
ANSWERED ON:24.04.2008
DOMESTIC STEEL PRICES
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of STEEL be pleased to state:

(a) whether the domestic steel prices are still lagging behind the international steel prices;

(b) if so, the average domestic steel prices as compared to international steel prices; and

(c) the reasons for forcing the Steel Authority of India Limited and other companies to reduce steel prices when the international steel prices are going up?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI JITIN PRASADA)

(a) & (b): The retail price of the steel items as prevailing in Mumbai retail market is given below in the Table with landed cost of major items of imports. The comparison indicates that the retail prices were lower than the landed cost of these items as on 15th April 2008.

Description	Bars	HR Coils	CR Coils
CIS-FOB Price in $/T	930	1000	1100
Landed cost at Mumbai Rs./Tonne	49,606	53,029	57921
Retail Price at Mumbai Rs./T	47,700	48,450	52,000
Difference Rs./T	1,906	4,579	5,921

The retails prices are inclusive of taxes, duties and freight.Source: Metal Bulletin & JPC

(c) The steel sector in the country is deregulated and therefore the prices are determined by the steel producers depending upon the market conditions. Therefore Government does not decide the selling price of steel. However, with a view to manage the rising inflation in the country, the Government has held extensive discussions with major steel producers as well as secondary steel producers during the first week of April, 2008. As a result of these deliberations, the steel producers, sharing the concern of the Government towards rising inflationary trend in the country, voluntarily reduced the price of different long products, which includes bars, rods and structurals, used by even the common man for housing by amount ranging Rs.4000-5000 per tonne.